

**IC 6-8**

**ARTICLE 8. MISCELLANEOUS**

**IC 6-8-1**

Chapter 1. Petroleum Severance Tax

**IC 6-8-1-1**

**"Person" defined**

Sec. 1. As used in this chapter, "person" means any individual, assignee, receiver, commissioner, fiduciary, trustee, executor, administrator, firm, partnership, joint venture, pool, syndicate, association, corporation, limited liability company, estate, trust, or any other group or combination acting as a unit.

*(Formerly: Acts 1947, c.278, s.1.) As amended by P.L.2-1988, SEC.33; P.L.109-1988, SEC.5; P.L.8-1993, SEC.102.*

**IC 6-8-1-2**

**"Department" defined**

Sec. 2. As used in this chapter, "department" refers to the department of state revenue.

*(Formerly: Acts 1947, c.278, s.2.) As amended by P.L.2-1988, SEC.34; P.L.109-1988, SEC.6.*

**IC 6-8-1-3**

**"Taxpayer" defined**

Sec. 3. As used in this chapter, "taxpayer" means any person by whom a tax is payable under this article.

*(Formerly: Acts 1947, c.278, s.3.) As amended by P.L.2-1988, SEC.35; P.L.109-1988, SEC.7.*

**IC 6-8-1-4**

**"Value" defined**

Sec. 4. As used in this chapter, "value" means the price paid or offered to be paid for petroleum of a like grade or gravity in the field or pool in which such well is located, and, if no such price be paid or offered, then as determined pursuant to the rules of the department.

*(Formerly: Acts 1947, c.278, s.4.) As amended by P.L.109-1988, SEC.8.*

**IC 6-8-1-5**

**"Petroleum", "natural gas", "oil", and "barrel of oil" defined**

Sec. 5. (a) As used in this chapter, "petroleum" means all hydrocarbons produced at a well in a liquid or gaseous state.

(b) As used in this chapter, "natural gas" means petroleum that maintains a gaseous state at atmospheric conditions.

(c) As used in this chapter, "oil" means petroleum that maintains a liquid state at atmospheric conditions.

(d) As used in this chapter, "barrel of oil" means forty-two (42) U.S. gallons of oil at sixty degrees Fahrenheit (60° F).

*(Formerly: Acts 1947, c.278, s.5.) As amended by P.L.109-1988,*

SEC.9.

**IC 6-8-1-6**

**"Producer" defined**

Sec. 6. As used in this chapter, "producer" means a person engaged in severing petroleum from the land direct.

*(Formerly: Acts 1947, c.278, s.6.) As amended by P.L.109-1988, SEC.10.*

**IC 6-8-1-7**

**"Owner" defined**

Sec. 7. As used in this chapter, "owner" means a person receiving or entitled to receive a proportionate share of petroleum or a proportionate share of the proceeds of the sale of petroleum after production by an operator, and without limitation of the foregoing, includes the owners of royalties, excess royalty, overriding royalty, mineral rights, or working interest.

*(Formerly: Acts 1947, c.278, s.7.) As amended by P.L.109-1988, SEC.11.*

**IC 6-8-1-8**

**Rate of taxation**

Sec. 8. A tax at a rate equal to the greater of:

- (1) one percent (1%) of the value of the petroleum; or
- (2) three cents (\$0.03) per one thousand (1,000) cubic feet (MCF) for natural gas and twenty-four cents (\$0.24) per barrel for oil;

is hereby imposed as of the time of the severance of such petroleum from the land, upon all producers and owners thereof as an excise for the privilege of severing the same from the land and producing the same from the well, except when the gas from any well is used to pump or treat the same or when such gas is piped to a landowner's private buildings for the landowner's own use.

*(Formerly: Acts 1947, c.278, s.8.) As amended by P.L.109-1988, SEC.12.*

**IC 6-8-1-9**

**Tax liens**

Sec. 9. The tax imposed by section 8 of this chapter is a lien upon such petroleum from the time of its severance from the land until such tax and all penalties and interest accruing by reason of nonpayment of the tax are fully paid.

*(Formerly: Acts 1947, c.278, s.9.) As amended by P.L.109-1988, SEC.13.*

**IC 6-8-1-10**

**Liability for tax**

Sec. 10. Any person purchasing or receiving possession of such petroleum prior to the discharge of such lien shall then and there be, become and remain personally liable to report and pay the amount of

such lien until the same be paid.  
(Formerly: Acts 1947, c.278, s.10.)

#### **IC 6-8-1-11**

##### **Payment of tax; right of reimbursement**

Sec. 11. A person reporting and paying a tax levied under this chapter is entitled to be reimbursed by the owner or owners immediately upon such payment and shall deduct the amount of the payment from anything due to the owners. A person paying and deducting such tax is not subject to any suit or action for recovery by any person, but the remedy of such person shall be exclusively by claim or suit for refund under the terms of this chapter.

(Formerly: Acts 1947, c.278, s.11.) As amended by P.L.2-1988, SEC.36; P.L.109-1988, SEC.14.

#### **IC 6-8-1-12**

##### **Duties of department**

Sec. 12. The department shall administer and collect the tax imposed under this chapter, and shall adopt rules fixing the time and manner of reporting, and paying, at monthly intervals the tax imposed under this chapter.

(Formerly: Acts 1947, c.278, s.12.) As amended by Acts 1980, P.L.61, SEC.14; P.L.109-1988, SEC.15.

#### **IC 6-8-1-13 Repealed**

(Repealed by Acts 1980, P.L.61, SEC.15.)

#### **IC 6-8-1-14**

##### **Repealed**

(Repealed by Acts 1980, P.L.61, SEC.15.)

#### **IC 6-8-1-15**

##### **Repealed**

(Repealed by Acts 1980, P.L.61, SEC.15.)

#### **IC 6-8-1-16**

##### **Repealed**

(Repealed by Acts 1980, P.L.61, SEC.15.)

#### **IC 6-8-1-17**

##### **Repealed**

(Repealed by Acts 1980, P.L.61, SEC.15.)

#### **IC 6-8-1-18**

##### **Tax additional to all other taxes**

Sec. 18. The tax imposed by this chapter shall be in addition to all other taxes, excises, and fees levied under any other statute.

(Formerly: Acts 1947, c.278, s.18.) As amended by P.L.2-1988, SEC.37; P.L.109-1988, SEC.16.

**IC 6-8-1-19****Amount collected from tax; failure of collecting trustee to pay; offense**

Sec. 19. Any person charging against or deducting from any payment due to any other person any amount being or represented as being a tax levied by this chapter or receiving money or credits as or purporting to be such a tax is a trustee of the amounts so charged, deducted, or received. A trustee who fails to pay any of those amounts to the department when due, with intent to evade payment of the tax, commits a Class D felony.

*(Formerly: Acts 1947, c.278, s.19.) As amended by Acts 1978, P.L.2, SEC.650.*

**IC 6-8-1-20****Repealed**

*(Repealed by Acts 1980, P.L.61, SEC.15.)*

**IC 6-8-1-21****Repealed**

*(Repealed by Acts 1980, P.L.61, SEC.15.)*

**IC 6-8-1-22****Repealed**

*(Repealed by Acts 1980, P.L.61, SEC.15.)*

**IC 6-8-1-23****Record keeping violations; offenses**

Sec. 23. (a) It is a Class C infraction for a person subject to taxation under this chapter to fail to keep and preserve such records, books, or accounts as may be necessary to determine the amount for which he is liable. It is a Class C infraction for such a person to fail to keep and preserve such records for a period of three (3) years, or to fail to keep them open for examination at any time by the department or its authorized agents.

(b) It is a Class B misdemeanor for a person to make false entries in his books, or to keep more than one (1) set of books, with intent to defraud the state or evade the payment of the tax, or any part thereof, imposed by this chapter.

*(Formerly: Acts 1947, c.278, s.23.) As amended by Acts 1978, P.L.2, SEC.651.*

**IC 6-8-1-24****Evasion of tax; offenses**

Sec. 24. It is a Class B misdemeanor for a person to fail to make any return required to be made under this chapter, or to make any false return, with intent to defraud the state or to evade the payment of the tax, or any part thereof, imposed by this chapter. It is a Class B misdemeanor for a person to recklessly fail to permit the examination of any book, paper, account, record, or other data by the department or its authorized agents, as required by this chapter, to

recklessly fail to permit the inspection or appraisal of any property by the department or its authorized agents, or to knowingly fail to offer testimony or produce any record as required in this chapter. A person who makes a false statement, with intent to defraud the state or to evade the payment of the tax imposed under this chapter, commits a Class D felony.

*(Formerly: Acts 1947, c.278, s.24.) As amended by Acts 1978, P.L.2, SEC.652.*

#### **IC 6-8-1-25**

##### **Repealed**

*(Repealed by Acts 1980, P.L.61, SEC.15.)*

#### **IC 6-8-1-26**

##### **Repealed**

*(Repealed by Acts 1980, P.L.61, SEC.15.)*

#### **IC 6-8-1-27**

##### **Disposition of revenues**

Sec. 27. (a) Money received under this chapter shall be paid by the department into a fund to be kept by the treasurer of state and known as the oil and gas fund.

(b) Money paid into this fund shall be devoted to the following purposes upon appropriation:

(1) To the expenses of administering this chapter.

(2) To the oil and gas division of the department of natural resources for the purpose of administering IC 14-37.

(3) To research pertaining to exploration for, development of, and wise use of petroleum resources in Indiana.

*(Formerly: Acts 1947, c.278, s.27.) As amended by Acts 1982, P.L.63, SEC.1; P.L.109-1988, SEC.17; P.L.1-1995, SEC.53.*

#### **IC 6-8-1-28**

##### **Reversion of oil and gas fund**

Sec. 28. No part of the oil and gas fund reverts to the general fund of the state at the close of any fiscal year.

*As added by P.L.109-1988, SEC.18.*